



City of Peabody, Massachusetts

2024 Tax Rate Classification Hearing

Mayor Edward A. Bettencourt, Jr.

December 7, 2023



Financial Update: Fiscal 2023 Closeout

Sources of Revenue:

2023 Actual

Property Taxes	114,812,834
Prior Year Taxes Collections	509,858
Local Receipts	21,298,740
State Aid	40,390,997
Other Sources:	
Health Trust, CIP, Cemetery Lots,	
Parking Meter, Brooksby, Tillies	662,805
ARPA	5,102,600
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	182,777,834

Amounts Expended

Original Budget	169,605,865
Supplemental Budget Salary/Expense	3,046,010
Northshore Essex Tech	4,811,861
State & County Assessments	3,323,809
Allowance For Abatements	753,380
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	181,540,925

Revenue Less Expense	1,236,909
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Beginning Unreserved Fund Balance

13,502,145

PY Encumbrances

939,321

Other Uses:

Free Cash to Reduce Tax Rate	(1,000,000)
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Transfers for Capital Projects	(755,000)
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Encumbrances Forward	(1,493,146)
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Ending Unreserved Fund Balance

12,430,229



Financial Update: Enterprise Funds Fiscal 2023 Close

	<u>Rink</u>	<u>Golf</u>	<u>Recreation Enterprise</u>	<u>Water & Sewer</u>
Revenue	844,629	1,911,873	2,756,502	19,174,424
Expense	(795,714)	(1,494,537)	(2,290,251)	(19,636,823)
Primary Overages WS:				
Sewer Outside Service				(207,629)
Water Worker Comp				(50,976)
Water Chemicals				(196,976)
Water Outside Service				(172,549)
Water Other Misc	-	-	-	(24,933)
Gross Profit / Loss	48,915	417,336	466,251	(1,115,462)
Bond/Loan Payment	(80,000)	(100,000)	(180,000)	(1,128,526)
Beginning Retained Earnings	(59,343)	962,569	903,226	1,669,727
Ending Retained Earnings	(90,428)	1,279,905	1,189,477	(574,261)



Financial Update: ARPA Funding Analysis

ARPA Fund Activity:

	Allocation	Received 1st Round	Balance 2nd Round
Direct Allocation	10,771,724.00	5,385,862.00	5,385,862.00
Allocation Based on Population	10,308,225.00	5,154,112.69	5,154,112.31
Total 100% Received	21,079,949.00	10,539,974.69	10,539,974.31

Allocations Expended:

Direct Allocation: Revenue Replacement

FY 2020 General Fund Deficit	(2,175,018.78)	
FY 2020 Rink Deficit	(111,890.27)	
FY 2021 General Fund	(562,703.24)	
FY 2022 Revenue Replacement	(4,580,000.00)	
FY 2022 Transfer Police Fire OT	(2,200,000.00)	-
FY 2022 Transfer Police Dispatchers	(9,772.12)	(120,227.88)
Public Health Response (Jan - March 2022)	(208,475.79)	
Public Health Response (April - Sept 2022)	(169,209.56)	

Projects:

Police HVAC Improvement	(72,424.00)	(93,900.00)
Mountain Terrace Stormwater Project	(450,480.93)	
Lowell Street- Watermain	-	(1,329,600.00)

FY 2023 Revenue Replacement		(2,500,000.00)
FY 2023 Revenue Replacement Fire OT		(1,400,000.00)
FY 2023 Revenue Replacement Police OT		(1,202,600.00)
Public Health Response & Security (2023)		(139,241.83)
Public Health Response & Security (2024 July Sept)		(43,057.92)

FY 2024 Revenue Replacement		(1,500,000.00)
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Balance	2,211,346.68	0.00	2,211,346.68
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Financial Update - Reserves

Description	FY 2023 Activity	Stabilization	Total Reserves
	Unreserved Fund Balance Free Cash		
Balance July 1, 2022	11,691,460	3,310,815	15,002,275
Reduce FY 2023 Tax Rate	(1,000,000)		(1,000,000)
King Street Lights	(105,000)		(105,000)
Endicott St Bridge	(195,000)		(195,000)
School Contracts	(600,000)		(600,000)
PVMHS HVAC Controls	(180,000)		(180,000)
Center School Flooring	(275,000)		(275,000)
Snow & Ice	(690,000)		(690,000)
Balance Expenses	(400,000)		(400,000)
			0
Grant Match		(250,000)	-250,000
Total Reductions	(3,445,000)	(250,000)	(3,695,000)
FY2023 Stabilization Payback		125,000	125,000
Interest		106,064	106,064
Subtotal	8,246,460	3,291,879	11,538,339
123 Adjustment to Free Cash	1,920,874	0	1,920,874
24 DOR Certified Free Cash	10,167,334	3,291,879	13,459,213
Reduce FY 2024 Tax Rate	(1,500,000)	0	(1,500,000)
Opiod Funds	(316,727)		(316,727)
FY2024 Balance After Tax			
Rate Reduction/ Opiod	8,350,607	3,291,879	11,642,486
Forecasted Uses:			
2023 Snow & Ice	(1,500,000)		(1,500,000)
Return Grant Match	(250,000)	250,000	0
Misc Projects/Overages	(300,000)		(300,000)
2025 Tax Rate	(1,000,000)		(1,000,000)
Balance After Forecasted Uses:	5,300,607	3,541,879	8,842,486



2024 Property Values by Classification

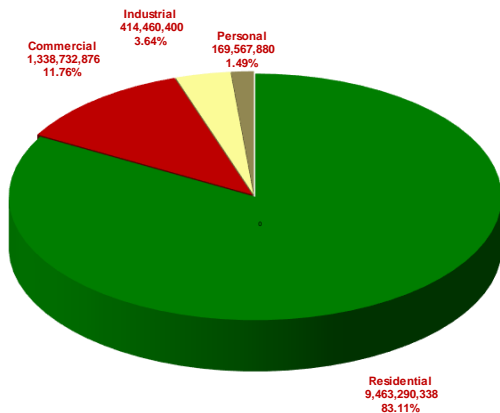
As of January 1, 2023

Values Increased by \$1.1 Billion or 11 %

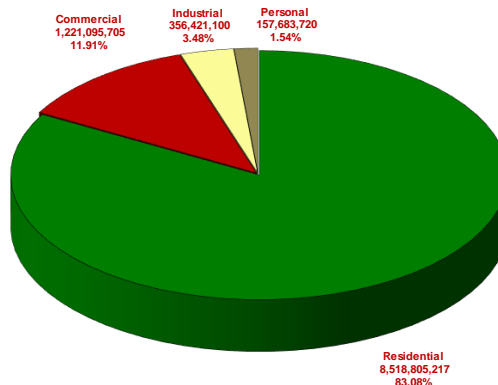
PROPERTY VALUES BY CLASSIFICATION

	Fiscal 2023	Fiscal 2024	Net Change	% Change
Residential	8,518,805,217	9,463,290,338	944,485,121	11.1%
Commercial	1,221,095,705	1,338,732,876	117,637,171	9.6%
Industrial	356,421,100	414,460,400	58,039,300	16.3%
Personal	157,683,720	169,567,880	11,884,160	7.5%
	\$10,254,005,742	\$ 11,386,051,494	1,132,045,752	11.0%

FY 2024 Values



FY 2023 Values

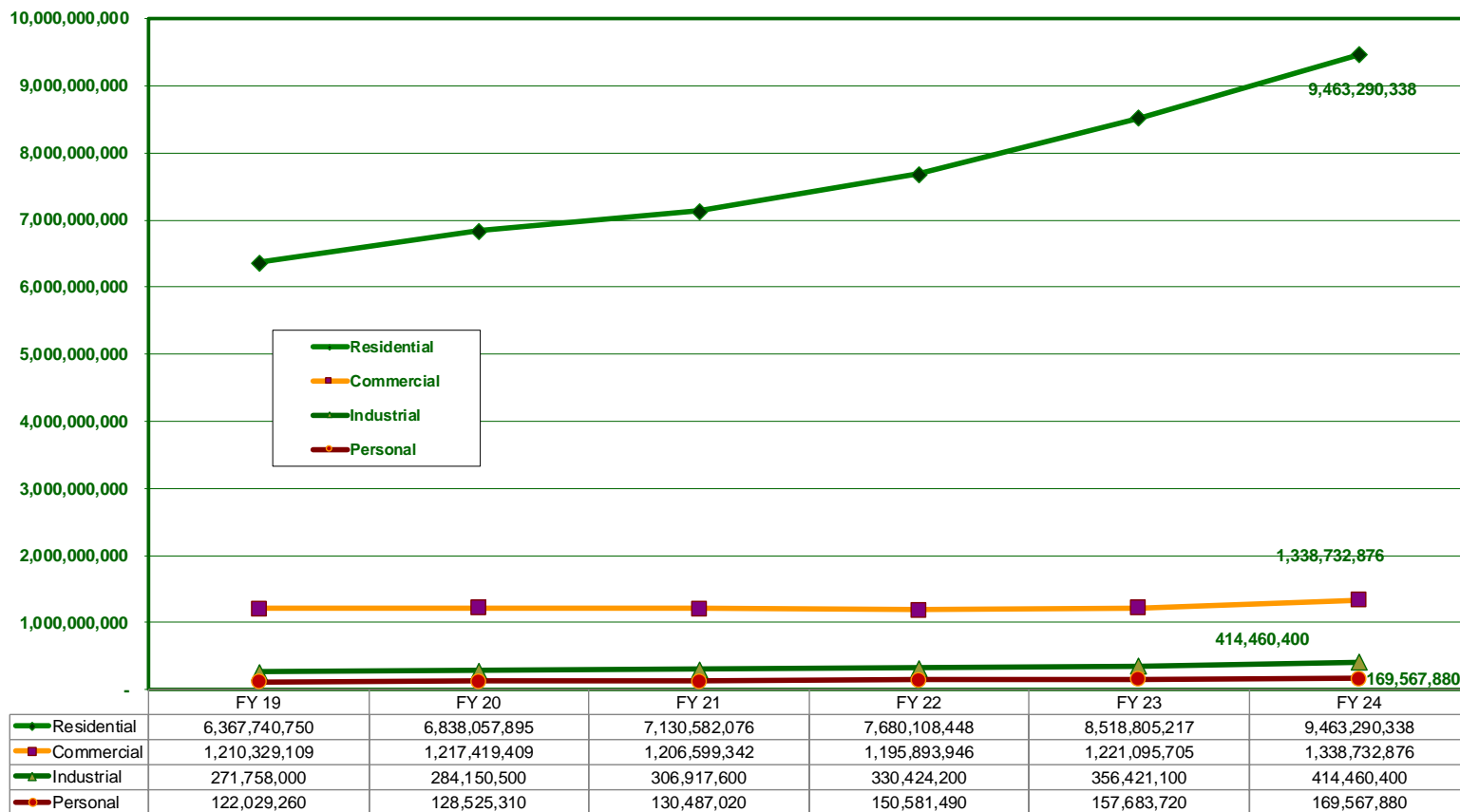




Valuation History FY 2019 – 2024

As of January 1, 2023, values increased 11%

	Residential	Commercial	Industrial	Personal	Total	Change	% Change
FY 19	6,367,740,750	1,210,329,109	271,758,000	122,029,260	7,971,857,119	584,238,715	7.9%
FY 20	6,838,057,895	1,217,419,409	284,150,500	128,525,310	8,468,153,114	496,295,995	6.2%
FY 21	7,130,582,076	1,206,599,342	306,917,600	130,487,020	8,774,586,038	306,432,924	3.6%
FY 22	7,680,108,448	1,195,893,946	330,424,200	150,581,490	9,357,008,084	582,422,046	6.6%
FY 23	8,518,805,217	1,221,095,705	356,421,100	157,683,720	10,254,005,742	896,997,658	9.6%
FY 24	9,463,290,338	1,338,732,876	414,460,400	169,567,880	11,386,051,494	1,132,045,752	11.0%

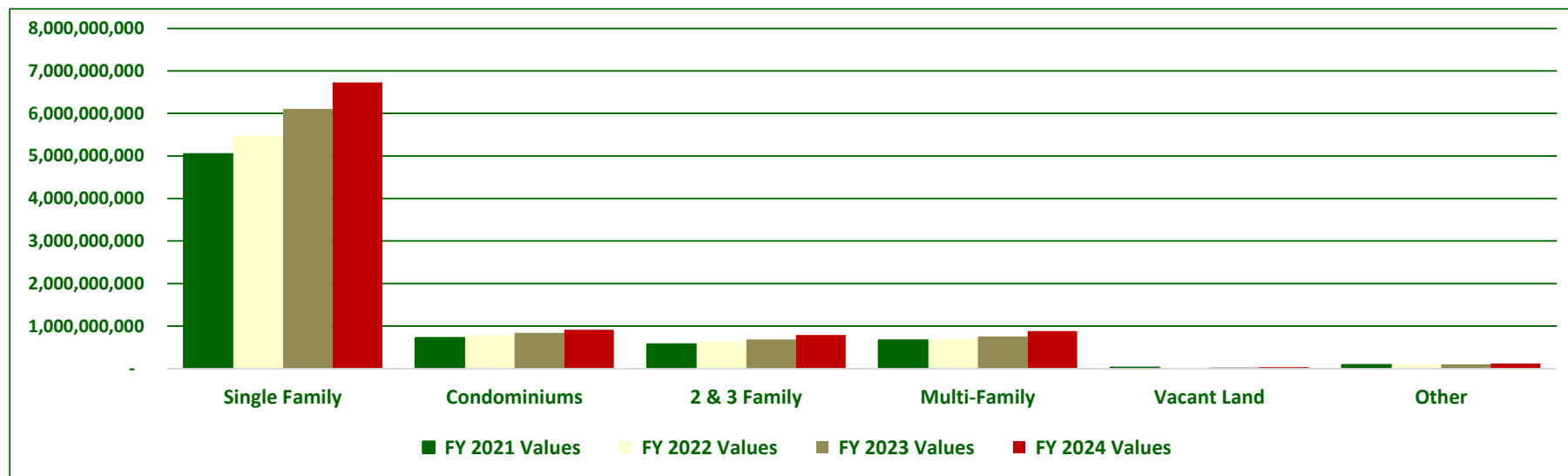




Analysis of Residential Values 2021- 2024

Residential Values Increased by \$944.4 Million or 11.1% as of January 1, 2023

	FY 2021 Values	FY 2022 Values	FY 2023 Values	FY 2024 Values	Change FY 2023 - 2024	
					\$	%
Single Family	5,046,872,600	5,466,925,800	6,106,074,400	6,726,902,500	620,828,100	10.2%
Condominiums	724,178,000	783,310,900	841,633,700	912,204,900	70,571,200	8.4%
2 & 3 Family	576,187,000	625,753,900	686,616,400	789,933,000	103,316,600	15.0%
Multi-Family	665,968,700	683,831,100	755,570,800	882,142,800	126,572,000	16.8%
Vacant Land	28,157,000	29,380,400	29,573,900	33,774,700	4,200,800	14.2%
Other	89,218,776	90,906,348	99,336,017	118,332,438	18,996,421	19.1%
Total Residential	7,130,582,076	7,680,108,448	8,518,805,217	9,463,290,338	944,485,121	11.1%

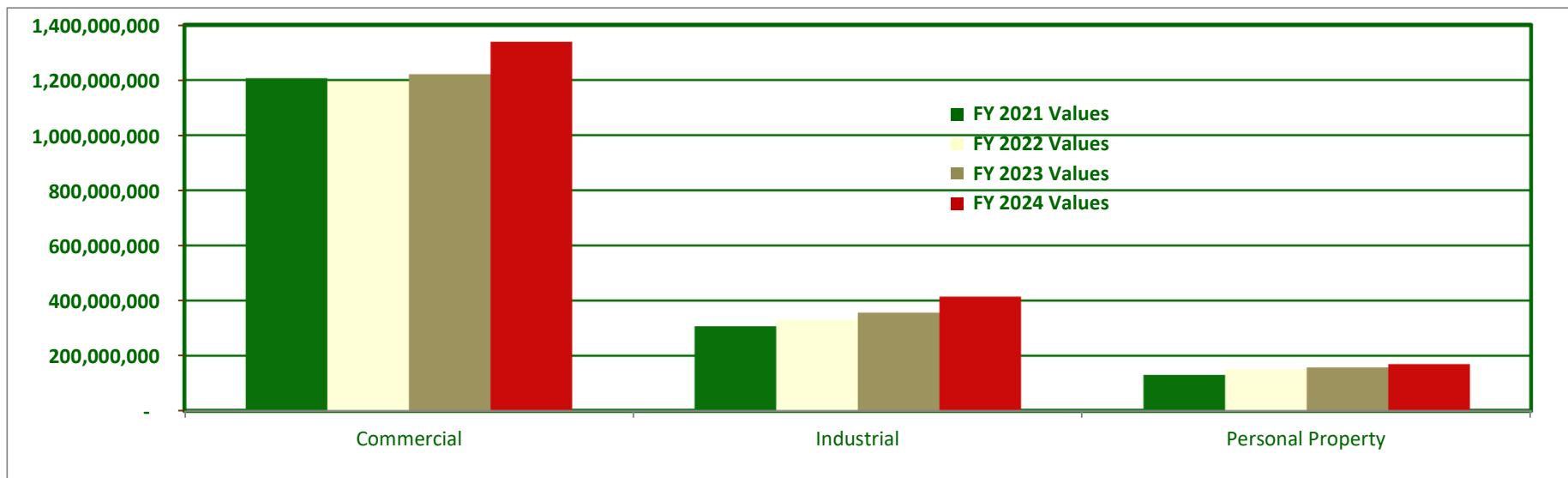




Analysis of C.I.P. Values 2021-2024

CIP Values increase \$187.5 million or 10.8% as of January 1, 2023

	FY 2021 Values	FY 2022 Values	FY 2023 Values	FY 2024 Values	Change FY 2023 - 2024	
					\$	%
Commercial	1,206,599,342	1,195,893,946	1,221,095,705	1,338,732,876	117,637,171	9.6%
Industrial	306,917,600	330,424,200	356,421,100	414,460,400	58,039,300	16.3%
Personal Property	130,487,020	150,581,490	157,683,720	169,567,880	11,884,160	7.5%
Total CIP	1,644,003,962	1,676,899,636	1,735,200,525	1,922,761,156	187,560,631	10.81%





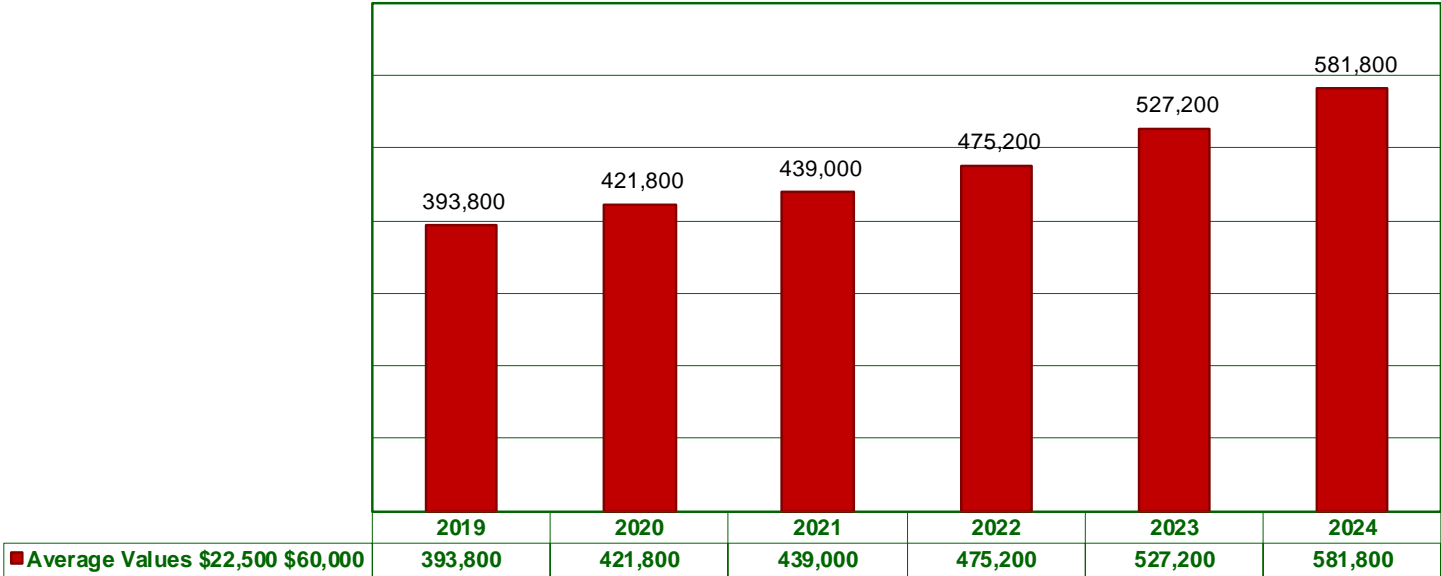
Average Residential Values* 2019-2024

As of January 1, 2023, Average Residential Values Increased \$ 54,600

Fiscal Year	Average Values
2019	393,800
2020	421,800
2021	439,000
2022	475,200
2023	527,200
2024	581,800

*Includes Single Families, Condos and 2-3 Families

Average Values

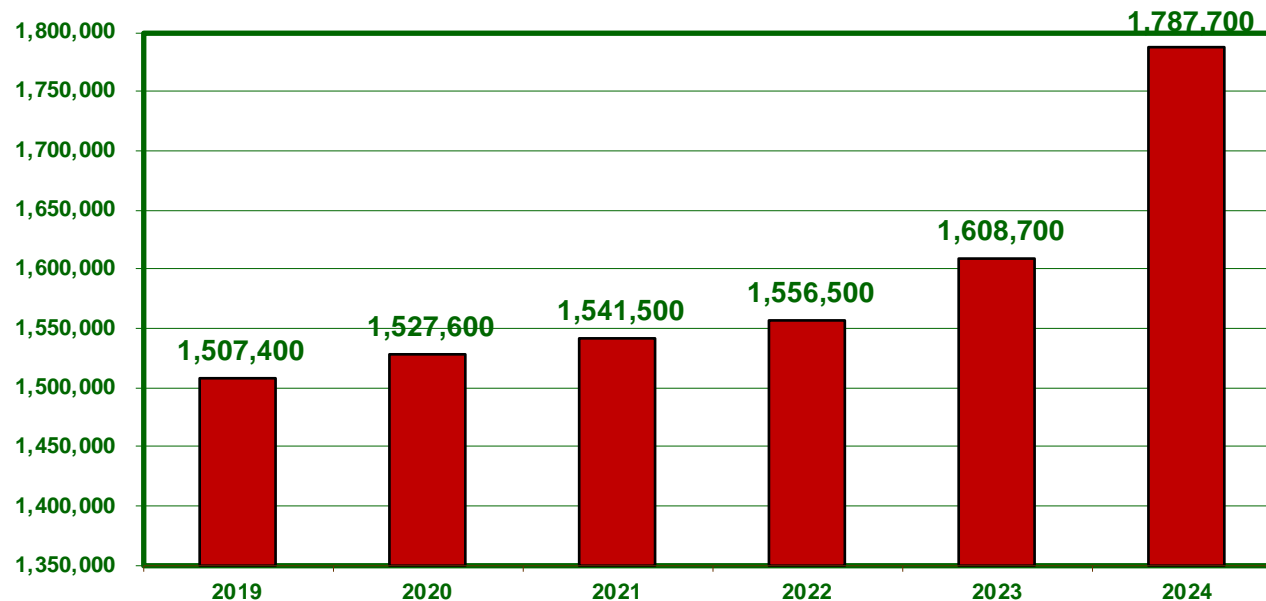




Average C.I.P. Values 2019-2024

As of January 1, 2023, Average CIP Values Increased \$179,000

<u>Fiscal Year</u>	<u>Average Values</u>
2019	1,507,400
2020	1,527,600
2021	1,541,500
2022	1,556,500
2023	1,608,700
2024	1,787,700





New Growth History 2015-2024

As of January 1, 2023, New Tax Growth - \$1,275,838

52.3% from CIP and 47.7% from Residential Growth

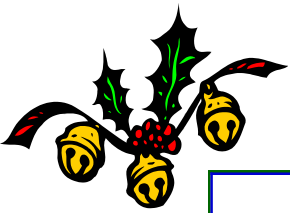
Fiscal Year	New Growth Residential Values	New Growth CIP Values	New Growth Total Values	Residential Taxes	CIP Taxes	Total Taxes
2015	21,608,405	26,611,062	48,219,467	267,944	650,907	918,851
2016	19,328,700	36,299,020	55,627,720	237,743	882,066	1,119,809
2017	24,855,800	30,991,890	55,847,690	296,281	749,694	1,045,975
2018	22,762,300	31,781,570	54,543,870	267,685	771,974	1,039,659
2019	24,493,600	32,843,380	57,336,980	280,697	791,855	1,072,552
2020	18,110,000	49,368,190	67,478,190	199,391	1,169,532	1,368,923
2021	36,032,800	44,019,850	80,052,650	386,992	1,007,614	1,394,606
2022	19,252,800	43,686,400	62,939,200	201,962	969,838	1,171,800
2023	25,037,400	45,418,570	70,455,970	252,878	960,148	1,213,026
2024	41,015,300	45,011,330	86,026,630	390,466	885,372	1,275,838
Average	25,249,711	38,603,126	63,852,837	278,204	883,900	1,162,104



Comparison of Budget Data Fiscal 2023-2024

	Fiscal 2023	Fiscal 2024	Net Change	% Change
<u>Gross Amount to be Raised:</u>				
Original Budget	168,605,866	181,941,253	13,335,387	
Supplemental Budget Salary Adjustment	1,000,000	-	(1,000,000)	
Northshore Essex Tech Assessment	4,811,861	5,275,323	463,462	
State & County Assessments	4,238,255	5,181,981	943,726	
Abatements/ Other Amounts to Be Raised	<u>750,000</u>	<u>1,074,568</u>	<u>324,568</u>	
Gross Amount to be Raised	\$ 179,405,982	\$ 193,473,125	\$ 14,067,143	7.84%
<u>Sources of Revenue:</u>				
Property Taxes	115,226,740	122,511,488	7,284,748	
Local Receipts	19,700,000	20,531,000	831,000	
State Aid	40,891,411	46,441,221	5,549,810	
Indirect Costs Funded By Enterprise	75,831	77,416	1,585	
ARPA	2,500,000	1,500,000	(1,000,000)	
Available Resources*	<u>1,012,000</u>	<u>2,412,000</u>	<u>1,400,000</u>	
Total Sources of Revenue	\$ 179,405,982	\$ 193,473,125	\$ 14,067,143	7.84%

* Reserves \$1,500,000, Parking Meter \$12,000, Health Trust \$900,000



Projected Local Revenues for 2024

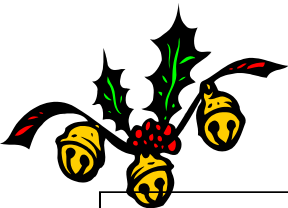
Local Receipts Description	Fiscal 2020 Actual	Fiscal 2021 Actual	Fiscal 2022 Actual	Fiscal 2023 Actual	Fiscal 2024 Budget
Motor Vehicle Excise Taxes	8,062,262	8,082,934	8,584,411	8,609,910	8,590,000
Hotel Taxes	1,432,325	614,370	1,428,487	2,183,192	2,100,000
Meals Tax	1,341,171	832,776	1,454,243	1,948,269	1,900,000
Interest & Fees on Taxes	282,741	844,208	753,128	659,630	659,000
Payments in Lieu of Taxes	849,831	751,554	952,687	833,369	890,000
Water User Charges	0	0	0	0	0
Sewer User Charges	0	0	0	0	0
Landfill Revenues	202,114	232,232	413,476	1,146,257	300,000
Fees	562,640	353,657	377,226	347,200	347,000
Rental Fees	79,813	69,716	78,145	80,490	80,000
Recreation Revenue	825,000	850,000	900,000	950,000	950,000
Departmental Revenue	355,670	306,581	321,357	334,244	331,000
Licenses & Permit Fees	2,238,840	2,254,977	3,834,807	2,383,425	2,383,000
Parking Fines & Forfeits	161,597	101,883	115,946	131,668	131,000
Interest Income	257,696	86,452	53,581	314,555	314,000
Medicaid Reimbursements	386,716	526,305	978,178	659,804	656,000
SESD Refunds	450,000	500,000	0	0	0
Legal Settlement				316,727	
Urban Redevelopment Taxes	27,738	0	0	0	0
Billboard Revenue	465,000	504,208	382,500	400,000	400,000
ARPA Revenue Replacement			4,580,000	2,500,000	1,500,000
Custodial Fees					100,000
Cable Fees					200,000
Museum Fees					200,000
Subtotal Local Revenues	17,981,154	16,911,852	25,208,172	23,798,740	22,031,000



Projected State Aid for 2024

FY 2024 State Aid increased by \$4.58 million net of State Charges

State Aid Description	Fiscal 2020 Actual	Fiscal 2021 Actual	Fiscal 2022 Actual	Fiscal 2023 Actual	Fiscal 2024 Budget
Education Aid	21,855,145	22,903,109	23,902,250	32,041,673	37,328,732
Gen Govt Local Aid	7,665,240	7,665,240	7,933,523	8,361,933	8,629,515
State Aid Reimbursements	211,781	218,608	190,754	191,282	193,907
Veterans Benefits	142,890	180,901	175,263	170,521	145,889
Police Career Incentive Reimb					
Parking Surcharges					
Library	67,737	81,502	88,826	109,491	124,722
Misc Governmental Reimb	10,746	10,671	12,862	16,511	18,456
Subtotal State Aid	29,953,539	31,060,031	32,303,478	40,891,411	46,441,221
State Charges /Assessments	(3,258,212)	(3,378,585)	(3,142,988)	(3,727,720)	(4,696,491)
State Aid Net of Assessments	26,695,327	27,681,446	29,160,490	37,163,691	41,744,730
Change	1,913,649	986,119	1,479,044	8,003,201	4,581,039



Impact of 2024 CIP Classification

Proposed Factor is 175%

	Before Classification			175.00%		
	FY 24 Values	% of Value	Share of Levy	Share of Levy	% of Levy	Taxes to CIP
Residential Values	9,463,290,338	83.1%	101,822,988	86,306,612	70.4%	(15,516,376)
CIP Values	1,922,761,156	16.9%	20,688,500	36,204,876	29.6%	15,516,376
Totals	11,386,051,494	100.0%	122,511,488	122,511,488	100.0%	

Residential	FY 24 Avg Value	Tax Rates	Annual Tax Bill	
Equalized Tax Rate	581,800	\$ 10.76	6,260	
Classified Tax Rate	581,800	\$ 9.12	5,306	
			(954)	Residents Annual Tax Bill is \$954 lower

C.I.P.	FY 24 Avg Value	Tax Rates	Annual Tax Bill	
Equalized Tax Rate	1,787,700	\$ 10.76	19,236	
Classified Tax Rate	1,787,700	\$ 18.83	33,662	
			14,427	CIP Annual Tax Bill is \$14,427 more

Percent of Levy Shifted to CIP

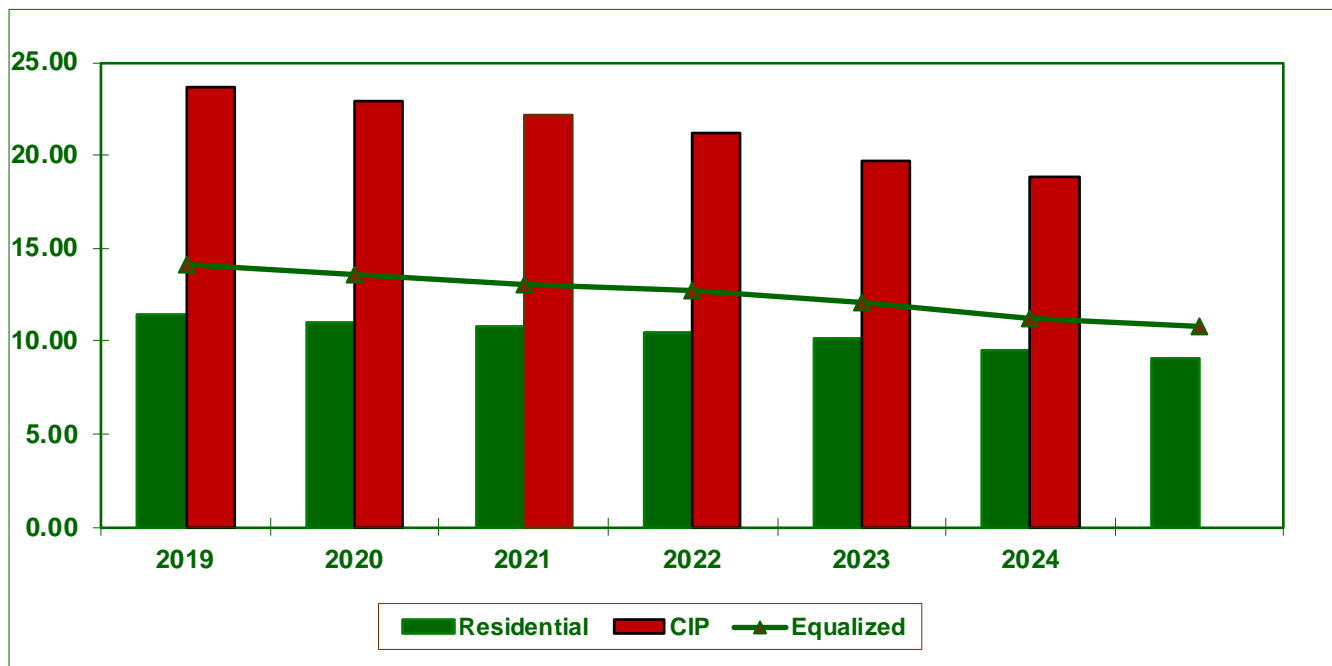
2024	12.67%
2023	12.69%
2022	13.44%
2021	14.05%
2020	14.44%
2019	15.02%
2018	14.80%



History of Tax Rates 2019-2024

Recommend Tax Rates are \$9.12 for Residential and \$18.83 for CIP

Tax Rates			
Fiscal Year	Residential	CIP	Equalized
2019	11.01	23.69	13.56
2020	10.74	22.89	13.08
2021	10.49	22.20	12.69
2022	10.10	21.14	12.08
2023	9.52	19.67	11.24
2024	9.12	18.83	10.76



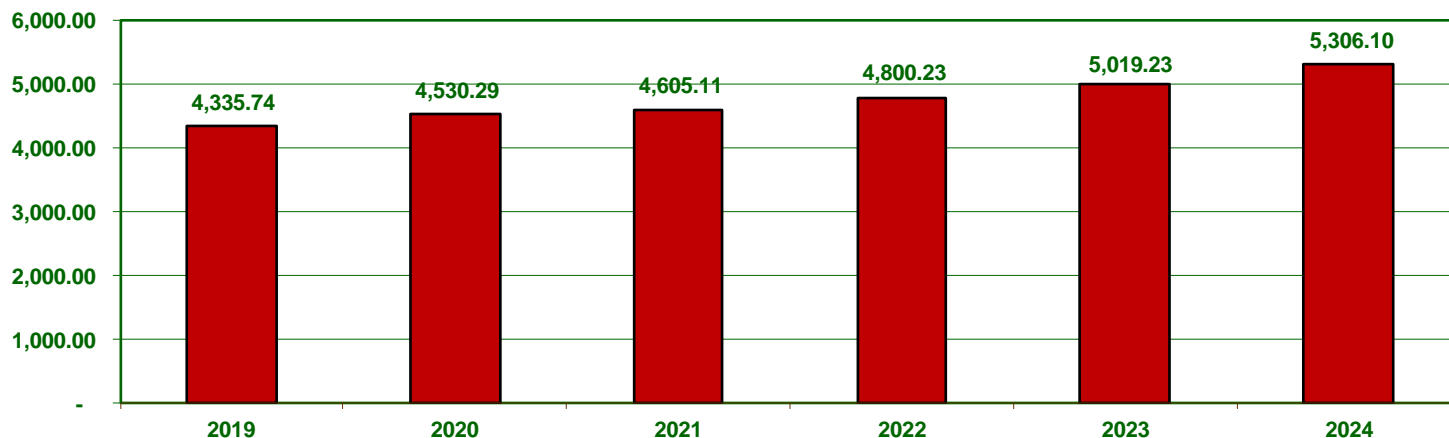


Homeowner's Annual Tax Bills

Average Residential 2024 Tax Bill will increase \$ 286.71 or 5.7 %

Fiscal Year	Annual Tax Bill	Tax Rate	Average Values
2019	4,335.74	11.01	393,800
2020	4,530.29	10.74	421,800
2021	4,605.11	10.49	439,000
2022	4,800.23	10.10	475,200
2023	5,019.23	9.52	527,200
2024	5,306.10	9.12	581,800

History of Average Annual Residential Tax Bills 2019-2024

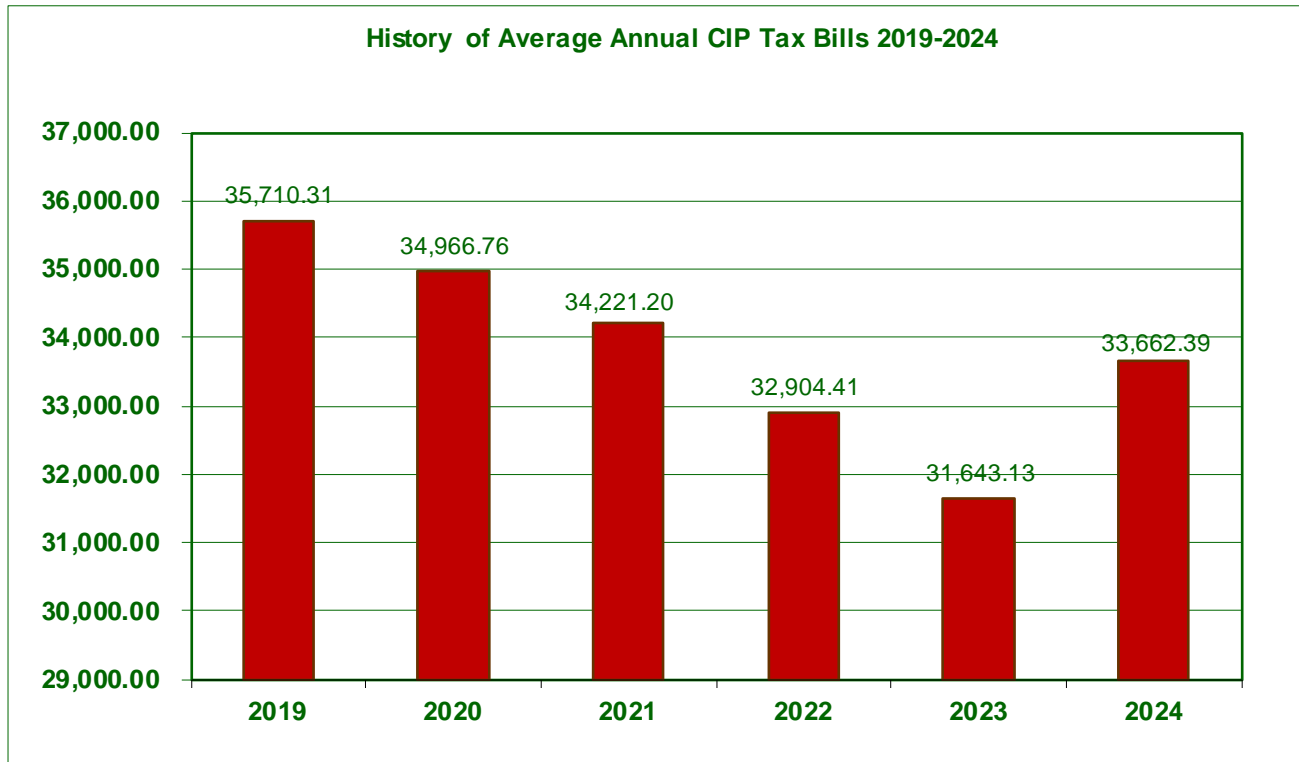




C.I.P. Average Annual Tax Bills

Average CIP will increase \$2,019.26

Fiscal Year	CIP Tax Bill	Tax Rate	CIP Value
2019	35,710.31	23.69	1,507,400
2020	34,966.76	22.89	1,527,600
2021	34,221.20	22.20	1,541,500
2022	32,904.41	21.14	1,556,500
2023	31,643.13	19.67	1,608,700
2024	33,662.39	18.83	1,787,700





Analysis of 2023 Changes in Tax Bills

14.2% of Residential Tax Bills will decrease, 44.6 % increase \$200 or less

RESIDENTIAL	Single	Condos	2 & 3	Multi	Multi	Total	% of
Change in 2024 Tax Bill	Family		Families	Family	Use	Residential	Totals
						-	0.00%
More Than \$5,000 Increase	2	-	-	13	7	22	0.14%
1,001 to 5,000	304		136	95	75	610	4.00%
500 to 1,000	1,991	6	585	13	64	2,659	17.44%
250 to 500	3,158	331	267	13	54	3,823	25.08%
200 to 250	906	386	27	-	7	1,326	8.70%
150 to 200	849	310	23	1	42	1,225	8.04%
100 to 150	781	310	21		28	1,140	7.48%
50 to 100	723	392	19	-	18	1,152	7.56%
0 to 50	639	160	12		307	1,118	7.33%
(-1 to -100) Decrease	877	311	21	1	2	1,212	7.95%
(100-500) Decrease	764	88	52	3	4	911	5.98%
More than \$500	34	2		7	2	45	0.30%
Totals	11,028	2,296	1,163	146	610	15,243	100%
2023	11,020	2,295	1,167	140	624	15,246	

C.I.P.	Comm	Industrial	Other	Total	%
Change in 2024 Tax Bill				CIP	Totals
More Than \$10,000 Increase	27	17		44	5.64%
5,001 to 9,999	24	25		49	6.28%
1,001 to 5,000	170	58	2	230	29.49%
500 to 1,000	99	24	1	124	15.90%
100 to 500	129	28		157	20.13%
0 to 100	49	10	4	63	8.08%
(-1 to -100) Decrease	28	13	4	45	5.77%
(-100 to 500) Decrease	16	6		22	2.82%
More Than \$500 Decrease	45		1	46	5.90%
Totals	587	181	12	780	100%
2023	590	181	11	782	



Communities in Essex County - FY 2023-2022 Data

Source: Massachusetts Department of Revenue, Division of Local Services

Single Family Homes Community*	Avg Residential 2023 Valuation	Avg Residential 2022 Valuation	Avg Annual 2023 Tax Bill	Avg Annual 2022 Tax Bill	1 Yr Change 2023-2022	Resident Tax Rate	CIP Factor	Excess Levy Capacity
WENHAM	847,660	728,572	14,707	14,265	442	17.35	100.0%	19,090
MANCHESTER	1,400,141	1,334,021	14,603	14,141	462	10.43	100.0%	838,320
TOPSFIELD 2024 2023	868,720	766,934	12,762	11,657	1,105	14.69	100.0%	458,596
BOXFORD 2024 2023	952,312	840,866	12,428	11,638	790	13.05	100.0%	941,167
ANDOVER	859,026	758,570	11,734	11,075	659	13.66	171.0%	839,830
HAMILTON	713,728	629,160	11,662	11,249	413	16.34	100.0%	48,159
ESSEX	768,516	665,006	10,667	10,441	226	13.88	150.0%	435,583
MIDDLETON	808,346	689,086	10,403	9,130	1,273	12.87	100.0%	704,322
MARBLEHEAD	1,030,466	944,418	10,305	9,935	370	10.00	100.0%	31,404
LYNNFIELD	899,564	818,833	10,165	9,818	347	11.30	150.0%	93,297
SWAMPSCOTT	824,245	711,479	9,677	9,128	549	11.74	170.0%	8,937,420
NAHANT 2024 2023	1,001,990	930,129	9,088	8,455	633	9.07	100.0%	4,139
WEST NEWBURY	815,128	672,868	8,991	8,754	237	11.03	100.0%	1,865,626
NEWBURYPORT	830,521	701,897	8,921	8,430	491	10.74	100.0%	939,052
NORTH ANDOVER 2024 2023	797,930	692,928	8,849	8,481	368	11.09	132.0%	1,854,916
IPSWICH	704,834	618,795	8,620	7,958	662	12.23	100.0%	147,535
AMESBURY	520,389	454,107	8,503	8,033	470	16.34	100.0%	2,488,115
GLOUCESTER	799,238	688,389	8,464	8,075	389	10.59	103.0%	34,419
ROWLEY	618,718	530,291	8,053	7,753	300	13.02	100.0%	22,337
GEORGETOWN 2024 2023	628,765	596,851	7,891	7,747	144	12.55	100.0%	2,910
MERRIMAC	533,087	457,946	7,874	7,483	391	14.77	100.0%	2,754
BEVERLY	683,198	613,924	7,693	7,471	222	11.26	175.0%	1,388,636
GROVELAND	578,096	510,212	7,590	7,383	207	13.13	100.0%	69,726
ROCKPORT	791,920	738,075	7,468	7,248	220	9.43	100.0%	47,590
DANVERS 2024 2023	669,896	605,754	7,443	7,118	325	11.11	148.0%	49,963
NEWBURY 2024 2023	872,867	745,282	6,704	6,462	242	7.68	100.0%	12,154
SALEM	516,174	465,540	6,457	6,168	289	12.51	170.0%	7,077,431
SAUGUS	565,057	509,308	6,363	6,117	246	11.26	175.0%	19,029
SALISBURY 2024 2023	552,421	495,757	5,773	5,354	419	10.45	100.0%	9,552
METHUEN	459,925	392,186	5,381	5,118	263	11.70	175.0%	825,865
HAVERHILL 2024 2023	501,341	462,309	5,334	5,155	179	10.64	165.0%	6,472,557
LYNN	477,670	417,937	5,326	5,195	131	11.15	175.0%	99,587
PEABODY*	554,090	496,587	5,275	5,016	259	9.52	175.00%	20,962,376
Total Excess Levy Capacity								57,743,457
Essex County Average	\$ 740,787	\$ 657,091	\$ 9,099	\$ 8,670	428	\$ 12.02	125.3%	\$ 1,749,802
FY 2024 Peabody Single Family Average Residential Value	609,984	554,090	5,563	5,275	288	9.12	175.00%	18,361,966
	581,800	527,200	5,306.10	5,019.39	286.71	9.12		



Fiscal 2024 Tax Rate Summary

TOTAL ASSESSED VALUES Jan 1, 2023	\$	11,386,051,494
ALLOWABLE TAX LEVY UNDER PROP 2 1/2		140,873,454
LEVY RESERVE NOT TAXED FY 2024		18,361,966

FISCAL 2024 RECOMMENDATIONS

ACTUAL TAX LEVY	\$	122,511,488
CLASSIFICATION FACTOR		175.00%
RESIDENTIAL TAX RATE	\$	9.12
COMMERCIAL (CIP) TAX RATE	\$	18.83